

From: Roger Stewart [mailto:rstjls@netins.net]
Sent: Friday, November 16, 2007 11:05 AM
To: Monahan, Sue [LEGIS]
Subject: Fw: thoughts regarding worker shortage in Iowa

----- Original Message -----

From: [Mohr, Gary](#)
To: rstjls@netins.net
Sent: Thursday, November 15, 2007 9:31 AM
Subject: thoughts regarding worker shortage in Iowa

Roger,

Attached are some of our thoughts and recommendations for you to consider on the impending worker shortage in Iowa. We have two recommendations for your consideration on page 3. Let me know if you have questions. Thanks for your consideration of this.

Gary

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BACKGROUND

Important Elements of Iowa Code Section 260C.18A (Iowa Workforce Training and Economic Development Fund—“Workforce Fund”)

- Funds are **distributed** to **each** community college using funding formula
 - No RFP process through a state agency that would result in winners and losers
 - Regional needs and markets taken into account
- Colleges have **program flexibility** in how they use the funds
 - Funds can be used in the following ways
 - Supplement ACE programs (260G)
 - Training of current workforce (260F)
 - Career academies targeting high school students
 - Vocational and Technical training (260C.1 Sub 2&3)
 - Major job retention projects (260C.9)
 - Training and retraining in state’s targeted industries
- **Focus** -- 70% of funds must go to state’s **targeted industries**
 - Assures legislators that sizable amount of funds will be targeted at industries that the legislature/governor have targeted
 - Last year, colleges dedicated over 80% of funds to targeted industries, easily surpassing this requirement
- **Accountability** -- Assures Governor & Legislators that funds are being used as intended
 - Requires that a two year plan of intended use of funds be provided (updated annually)
 - Requires an annual report of actual use of funds for training

Why does this matter?

- Because as the Governor and the legislature look for ways to train more skilled workers, it is important to be aware that:
 - It is not necessary to create a new training program—the program for workforce training has already been created in Iowa Code Section 260C.18A (Workforce Training Fund).
 - This “Workforce Training Fund” (260C.18A) provides a mechanism to answer the skill shortage in each and every region of the state; as needed by businesses throughout the state. The distribution of funds to each region is roughly based on the number of students and market needs in each region.
 - However, it is necessary to make a long-term commitment to increasing the capacity of community colleges to operate the programs contained in this code section. This long-term commitment should increase funding over time, currently at \$11.5 million, up to a level estimated to be in the range of \$40 to \$60 million.
 - CCs need some predictability of funding in order to make the longer term investments in capacity needs for equipment and technically-trained faculty (both can be costly) for skills training for students/workers; rather than annual project based mechanisms.
 - The skills-training programs developed through the Workforce Fund also provides the infrastructure of people and equipment for shorter term (non credit) training projects needed by many businesses and disadvantaged students/workers throughout all of Iowa.

[NOTE: An annual phased-in increase of 4-5 M (per year) beginning in FY 2008 or 2009 should be the goal]

INTERIM TESTIMONY

Interim testimony from businessmen and businesswomen, and others with expertise in the subject of workers, training and skill's shortages, have indicated a strong need for more training of workers and students in every region of the state.

These same testimonies have indicated to the interim committee that businesses see the community colleges as the key institutional mechanism for the providing of training for their potential skilled worker needs.

More training capacity is needed at the community colleges.

The one mechanism for insuring that additional training resources go to each region of the state is the "Workforce Training Fund" (260C.18A).

Recommendation from this interim committee:

1. We recommend that the **"Workforce Training Fund"** (as identified in code section 260C.18A) be the prime location for new training dollars (resources) throughout all regions of the state; and to insure that the emphasis for new training is targeted as outlined in that same code section.
2. And, included in that recommendation is the further proviso that we recommend additional funding be phased-in annually over the next 3-5 years, in order to meet the extensive demand for skill training for students/workers, orderly expansion of training capacity and ability of the state budget to meet these needs.